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SUMMARY RECORD OF THE 32nd MEETING

Chairman: Mr. MONGBE (Benin)

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The meeting was called to order at 3.10 p.m.

AGENDA ITEM 91: DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION (continued)

(a) TRADE AND DEVELOPMENT (continued) (A/48/15 (Supplement No. 15) (Vols. I and II), A/48/139, A/48/163, A/48/164, A/48/272-S/26108, A/48/363, A/48/487, A/48/533, A/48/535)

(d) ECONOMIC AND TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES (continued) (A/48/495, A/C.2/48/5)

(h) SCIENCE AND TECHNOLOGY FOR DEVELOPMENT (continued) (A/48/465)

(i) ENTREPRENEURSHIP (continued) (A/48/472)

1. Mr. ACHARYA (Nepal) said that international trade was vital for the economic growth and development of all countries, developed and the developing. Indeed, according to the Human Development Report, a free and unrestricted international trade regime was far more important than development assistance. While economic reforms made it difficult for most developing countries to compete in the international market, the land-locked developing countries, which had to pay higher freight costs, faced even greater problems.

2. He noted the recommendations of the meeting of governmental experts from land-locked and transit developing countries and representatives of donor countries and financial and development institutions, convened pursuant to General Assembly resolution 46/212, and asked about the status of the subregional symposia/workshops of experts of land-locked and transit developing countries called for in the same resolution.

3. The international community should devote particular attention to the trade requirements of land-locked developing countries, and consider giving preferential treatment to goods produced in such countries. Many land-locked developing countries, including Nepal, were among the least developed countries. They were cooperating fully with their transit neighbours, in the spirit of South-South cooperation, on transit issues. In that connection, he thanked the Government of India for its decision to convert all metre gauge railways to broad gauge, which would facilitate rail transit from Calcutta to border posts in Nepal.

4. Mr. MSENGEZI (Zimbabwe) associated his delegation with the statement made by the representative of Colombia on behalf of the Group of 77. Sustained economic growth and development in the developing countries could not be fully achieved without an open, multilateral, and non-discriminatory trading system. Although many developing countries had undertaken structural adjustment reforms at great social and economic cost, and therefore needed a supportive international economic environment, the developed countries continued to adopt increasingly protectionist measures. A successful outcome of the Uruguay Round of multilateral trade negotiations was essential.

(Mr. Msengezi, Zimbabwe)

5. According to the World Economic Survey 1993, Africa's share of international trade continued to decline even in the area of primary commodities. The region relied on too few commodities for its export earnings, and such exports had remained stagnant. Economic reforms and the diversification of the African commodity sector would not succeed without increased official development assistance (ODA) and direct foreign investment, and a comprehensive solution to Africa's enormous debt problem. In that connection, he welcomed the Secretary-General's proposal for the establishment of a special diversification facility for African commodities within the African Development Bank.

6. He stressed the need to promote sustainable development and economic growth on the basis of self-reliance and interdependence. The countries of the Southern African Development Community (SADC) region were striving, inter alia, to harmonize production and physical interconnecting structures among neighbouring States and to establish an efficient payments settlement system.

7. Finally, he commended the information on progress in the implementation of specific action related to the particular needs and problems of land-locked developing countries contained in document A/48/487. His country expressed its appreciation to the international community and the United Nations for their action on that topic since the adoption of General Assembly resolution 46/212. He hoped that the Committee would devote serious attention to the recommendations of the recent meeting of governmental experts on the subject.

8. Mr. VUJACIC (United Nations Industrial Development Organization) said that while international competitiveness was increasingly dependent on technological skills, technological infrastructure and social organization, many developing countries were too poor to develop a solid scientific and technological base. Thus the technological gap between the developed and the developing countries continued to grow.

9. The United Nations Industrial Development Organization (UNIDO) had crafted a broad, flexible approach to respond to needs that varied greatly from country to country and region to region. It included advice on effective technology development and transfer; development and industrial use of appropriate technologies; and studies of technology development and transfer needs.

10. In East and South-East Asia, UNIDO gave priority to advanced technology with a view to sustaining high growth rates. In Latin America and the Caribbean, it focused on upgrading technology. In sub-Saharan Africa, as with the least developed countries, it emphasized developing human resources and upgrading technological capabilities. Within that regionally differentiated approach, it stressed two key areas: the advancement of manufacturing technologies and the revitalization of industrial research institutions.

11. Case-studies and discussions with institutions in many countries revealed the need to manage the change from research and development geared to a highly protected industrial environment supported by import substitution practices to the deregulated, globalized market environment of the 1990s. UNIDO would be

(Mr. Vujacic, UNIDO)

working with the International Development Research Centre in Canada to draw up practical guidelines and a promotion programme for revitalizing research institutions. Thanks to the work of its International Centre of Genetic Engineering and Biotechnology, which had 46 member countries, UNIDO had helped to initiate biotechnology activities in a large number of developing countries, and contacts had already been established with industry. The UNIDO international centre for science and high technology, currently in its pilot phase, provided training to scientists from developing countries through research in pure and applied chemistry; earth, environment and marine sciences, and selected aspects of high technology and advanced materials. UNIDO was working to establish other centres devoted to the application of solar energy, to the development and application of marine industrial technology and to new energy sources. Furthermore, as part of its programme on ecologically sustainable industrial development, UNIDO was working with the United Nations Environment Programme to establish a network of cleaner production centres in 20 developing countries.

12. Mr. NGUYEN MINH THONG (Viet Nam) said that the past decade had witnessed an extensive diffusion of new technologies, particularly in the fields of communications, data processing, genetics, micro-electronics and new materials, as well as advanced concepts of management, which together constituted a technical and managerial revolution. Science and technology were increasingly important factors in economic development. Constrained by poverty and underdevelopment, the developing countries were finding it increasingly difficult to narrow the gap between themselves and the developed countries. They therefore needed access to sound technologies and the opportunity to enhance their endogenous capacities. In that connection, he commended the role of the United Nations, particularly through the Vienna Programme of Action on Science and Technology and UNDP, and called for the further strengthening of multilateral and bilateral assistance and cooperation.

13. As part of its reform process, Viet Nam was endeavouring to strengthen its scientific and technical capacities and resources. The United Nations was providing valuable assistance, in particular through the Interregional Technical Cooperation Project on Endogenous Capacity in Science and Technology for Development. The third policy dialogue would shortly be held on the socio-economic development strategy of the country; such policy dialogues were crucial for the building of the country's science and technology capacity.

14. Mr. DUGAN (United States of America) said that entrepreneurship, development, and an open economy went hand in hand. Countries that participated in multilateral trade exposed their indigenous entrepreneurs to competition and new ideas and facilitated the transfer of technology. That, in turn, strengthened the vitality of the economy and expanded production possibilities. The United States had always believed in freedom of exchange, freedom of ownership and private control of the means of production. It therefore strongly endorsed the ongoing efforts of countries around the world to privatize their economies. However, privatization was not likely to succeed without macroeconomic stability and effective laws and institutions to manage a market economy. That was where international assistance could play an important role.

(Mr. Dugan, United States)

15. While the Secretary-General's report on entrepreneurship and national development (A/48/472) did a good job of identifying common barriers to grass-roots private initiatives, it failed to note that many enterprises in developing countries were informal not so much by design as by default. Corruption and bureaucratic hurdles made the cost in both time and money of forming or expanding a legal enterprise prohibitively high; and, because in many developing countries most of the people did not even have legal title to their home - the only substantial asset most people possessed - they had almost no access to credit and little incentive to care for the land and increase its economic potential. Similarly, while the report noted that there were very few women entrepreneurs in developing countries outside the informal and micro-enterprise sectors, it did not mention that in many of those countries, women were prohibited, either by law or by custom, from owning property in their own names.

16. Discussions in the international community needed to focus more on the links between cause and effect and on identifying practical, innovative solutions to the problems of aspiring entrepreneurs the world over. The initiatives undertaken by the United Nations Conference on Trade and Development (UNCTAD) on trade efficiency and privatization were useful in that regard.

17. Ms. KECSKES (Hungary) said that her delegation agreed that reforms within the countries with transition economies deserved the full support of the international community. Those reforms could also be supported by improvement in the global trading environment. In its transition to a market economy, Hungary had recognized the need to liberalize the various sectors of its economy, notably the trade sector. Discriminatory agreements within the former Council for Mutual Economic Assistance had distorted the production structure and isolated the region from global competition. Hungary believed that the Uruguay Round of multilateral trade negotiations would be successfully concluded and that it would contribute to the transition process creating a supportive trading environment and strict rules of international cooperation.

18. International political cooperation sometimes resulted in unavoidable damage to a country or a group of countries. In such cases, it was the duty of the international community to alleviate that damage. The neighbouring countries of the former Yugoslavia, including Hungary, were suffering trade losses as a consequence of the strict implementation of the relevant Security Council resolutions imposing sanctions on Serbia and Montenegro. Overcoming those negative effects would require the cooperation and support of the international community and the United Nations system.

19. While countries with transition economies were requesting the support of the developed countries in the process of economic restructuring and integration into the world economy, some of them, including Hungary, were ready to assist development in other countries or regions. Indeed, Hungary had participated successfully in several projects with UNDP, UNIDO and UNEP by providing technical assistance or human resources.

20. Ms. ASHRAF (United Nations Educational, Scientific and Cultural Organization) said that, in the context of the streamlining of the United Nations system, it was essential to develop system-wide cooperation and coordination in the field of science and technology, based on the careful definition of the tasks and responsibilities of each partner.

21. One strength of UNESCO was its world-wide network of over 170 national commissions, bringing together government institutions, non-governmental groups, universities, research centres and individual experts. Another was its interdisciplinary character. Although science and technology were cross-sectoral by nature, United Nations agencies continued to address those issues through traditional sector-oriented approaches. UNESCO was more than ready to help them break with those traditions, and thereby achieve greater efficiency and effectiveness. In order to eliminate informational inconsistencies and redundancies, United Nations bodies in the field of science and technology needed to exchange information both among themselves and with entities outside the system.

22. Policy analysis studies could be an important element of inter-agency cooperation at the country level. It was necessary to give the international community easy access to the results of such studies, as well as to those of studies done outside the United Nations system.

23. With respect to technology assessment and monitoring, cooperation among agencies could help to create or strengthen national capacities by moving away from a narrow, sectoral approach. The agencies should also work closely with business and industry. UNESCO-initiated regional networks in the field of science and technology were well-placed to serve as the regional focal points for technology assessment and monitoring. Such networks were already operational in Asia and Latin America and were being set up in Africa and the Arab States.

24. UNESCO science programmes gave priority to contributing to the implementation of the standards, safety measures and actions called for in the Convention on Biological Diversity, the Framework Convention on Climate Change and Agenda 21. UNESCO had responded to General Assembly resolution 46/165 by strengthening its science for progress and the environment programme, promoting scientific and technological research and working to increase public awareness of science and technology; its publication the UNESCO Statistical Yearbook provided detailed quantitative data in the field of science and technology. As a result of its recent evaluation of its programme activities, it would begin focusing on the preparation of high quality instructional materials and on the training and retraining of university basic science teachers. UNESCO regional offices provided technical support services in preparing project proposals for assistance to strengthen local universities.

25. Mr. BENSHABAN (Libyan Arab Jamahiriya) associated his delegation with the statement made by the representative of Tunisia on behalf of the countries of the Arab Maghreb Union.

(Mr. Benshaban, Libyan Arab Jamahiriya)

26. He noted that although General Assembly resolution 46/210 and others had stressed the need to eliminate the use of economic measures against developing countries with the purpose of exerting coercion on the sovereign decisions of such countries, some advanced countries continued to try to impose their will on the peoples of the world through such measures and had even broadened them into full-blown embargoes and blockades, freezing assets and blocking access to technology. The Libyan Arab Jamahiriya had been, and was still being, subjected to such coercive economic measures by one of the advanced countries. Such freezing of assets and property and restriction of technology and trade was contrary to the Charter and to article 32 of the Charter of Economic Rights and Duties of States. He therefore called on the international community to take urgent steps to eliminate the use of such measures.

27. Mr. SUNZU (Burundi), noting that of the more than 28 land-locked developing countries, half were classified among the least developed countries and were African, said that his country welcomed the analyses and conclusions of the Meeting of Governmental Experts from Land-locked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions that had been held under UNCTAD auspices in New York in May 1993.

28. The experts had identified a number of factors that hampered the trade of land-locked countries. They included inadequate, often poorly enforced transit regulations; poor transit infrastructures; the absence of certain transit services, installations and equipment; an insufficient number of transit service companies and organizations; a lack of competition among transit service providers; complicated, conflicting customs procedures; unpredictable fluctuations in transit service prices and frequent interruptions along transit corridors. Land-locked and transit developing countries must cooperate more with each other, for both groups stood to benefit therefrom. They should spare no effort to improve transit systems, increase regional cooperation and harmonize their transit policies.

29. To achieve their goal, they needed outside help. He therefore called on the international community and on bilateral and multilateral donors to provide financial and technical assistance to improve the transit infrastructures and other transit facilities in land-locked and transit developing countries.

30. While his delegation welcomed the various specific measures taken by the international community in favour of land-locked developing countries, as described in the report of the Secretary-General of UNCTAD (A/48/487), it considered them too dispersed. He therefore called on UNCTAD to coordinate its policies and resources in that field, adding that UNCTAD should be given the authority to seek to mobilize the financial resources needed to support the efforts it had already undertaken.

31. Mr. PEDROSO (Cuba) said that his delegation fully endorsed the statement made by the representative of Colombia on behalf of the Group of 77.

32. Given the recognition of the positive correlation between an open international trading system and economic growth and development, the international community had taken practical steps to promote trade. However,

(Mr. Pedroso, Cuba)

faced with a persistent recession, the developed countries had begun to raise barriers to the import of basic commodities from developing countries, thereby reducing what had been a principal source of income for those countries.

33. The reluctance of the developed countries to adjust their macroeconomic policies was making the prospects of developing countries increasingly uncertain. Nevertheless, the successful conclusion of the Uruguay Round of multilateral trade negotiations would contribute decisively to improving those prospects. A balanced outcome, which took into account the financial, trade and development needs of the developing countries, including the question of market access, would generate considerable financial resources that could be used to encourage sustainable development.

34. Trade and development policies should be complementary. Developed countries should not use their environmental regulations as a pretext for discriminating against developing countries.

35. The use of economic measures as a means of political and economic coercion against developing countries was incompatible with the law and interfered with the normal functioning of international trade. Furthermore, it hindered efforts to create an open, non-discriminatory international trading system for all countries.

36. With respect to the Secretary-General's note on the subject (A/48/535), his delegation was deeply disappointed to hear that the restructuring exercise had prevented the Secretariat from fulfilling the mandate conferred in General Assembly resolution 46/210.

37. With respect to science and technology for development, the outcome of the Conference on Environment and Development provided clear and precise guidelines for system-wide efforts in that area and, in particular, for the work of the Commission on Sustainable Development and the Commission on Science and Technology for Development. Those efforts should focus on coordination and on allocating budgetary resources in proportion to established priorities. For multilateral action to succeed, it was necessary for the developed countries to meet their mutually agreed commitments. Both the public and the private sectors in those countries needed to implement adequately financed measures to encourage technology transfer and guarantee the access of developing countries to technology. Cuba hoped that the recommendations of the Commission on Sustainable Development and the work of the Trade and Development Board's Ad Hoc Working Group on Interrelationship between Investment and Technology Transfer would have a positive impact in that area.

38. Mr. YEGOROV (Belarus), noting that the problems of the countries with economies in transition were receiving increasing attention in the work of the Trade and Development Board, expressed his delegation's appreciation for the support provided to Belarusian exporters from such major trading partners as the European Community, Canada and Australia. He hoped that in future Belarusian goods would benefit from the same regime as goods from other countries; some partners still needed to eliminate certain discriminatory measures.

(Mr. Yegorov, Belarus)

39. His delegation welcomed the decision adopted at the forty-eighth session of the Economic Commission for Europe (ECE) to improve access of products from countries in transition to international markets and expressed the hope that action in that regard would be taken on both a multilateral and bilateral basis. In that connection, he called for a successful and timely conclusion to the Uruguay Round of trade negotiations, which were of vital importance for the implementation of reforms and trade liberalization in the countries in transition, as well as in the developing countries.

40. He welcomed the report on entrepreneurship and national development (A/48/472) and expressed the hope that efforts would be focused on helping interested countries to create the necessary institutional basis for entrepreneurship and national entrepreneurial organizations. The various United Nations agencies, programmes and funds, the Bretton Woods institutions and non-governmental organizations concerned would have to, in that regard, coordinate their efforts.

41. Mr. PONIKIEWSKI (Poland), commending the report of the Secretary-General on entrepreneurship and national development (A/48/472), said that the awakening of entrepreneurial skills seemed to be the most important challenge facing the Governments of former Communist States; it was also an important task for Governments of traditionally market-based economies.

42. One way of promoting entrepreneurship, as stated in the report, was through privatization. Privatization meant not only transfer of ownership of State enterprises into private hands, but also expansion of new private entrepreneurship. Poland provided a good example of a successful expansion of the private sector: whereas, in 1989, the private sector had accounted for only 28.6 per cent of the gross national product, by 1992 it accounted for 45 per cent and was expected to exceed 50 per cent in 1993. The development of private entrepreneurship not only assisted the restructuring of an economy through development of the neglected service sector, especially trade, transport and construction, but also improved the overall efficiency of the economy. Moreover, since it permeated all levels of society, entrepreneurship helped to wean people away from complete reliance on the State. It encouraged the initiative without which no market economy could succeed.

43. His delegation regretted that the report did not include sufficient data concerning United Nations activities in privatization. It would be interesting to learn the extent to which the Secretariat was providing technical assistance in that field, the number of requests from States for such assistance, and if any initiatives had been taken to inform countries about existing possibilities for technical assistance. Poland had benefited from the Technical Knowledge Through Expatriate Nationals (TOKTEN) programme of UNDP, and it was aware that UNCTAD and UNIDO were also involved in such activities.

44. Mr. AKRAM (Pakistan) said that the slow recovery of world output and the uncertain prospects for growth in world trade threatened to undermine the reform efforts of many developing countries. Commodity-dependent countries had registered low investment levels, high inflation and an enormous increase in external debt. Urgent measures must be taken to promote cooperation in the

(Mr. Akram, Pakistan)

international commodity market and diversification of the economies of commodity-dependent developing countries. The recommendation of the eighth session of UNCTAD that consultations should be held on the question of a world conference on commodities should be seriously pursued.

45. Since expansion of trade was a vital part of the strategy to revive the world economy, the Uruguay Round must succeed. His delegation hoped for an early compromise on the issue of agricultural trade: the world's aspirations for free trade should not be thwarted by the interests of agricultural lobbies in a few industrialized countries. In order to achieve balanced and substantive results, the Uruguay Round must satisfy the interests of all participants. In textiles and clothing, for example, the multifibre arrangement must be phased out and replaced by the integration of that sector into the normal GATT rules. In situations where developing countries had achieved adequate access to markets and finance, they had registered significant economic growth. Accordingly, he called on all nations to seize the opportunity to build a truly global economy, by reversing the trend towards protectionism and fostering trade, investment and economic cooperation links among nations committed to the principle of fair and open trade.

46. Mr. CALOVSKI (the former Yugoslav Republic of Macedonia) said that the present negative economic trends must not be allowed to continue. The international community must abide by the principles outlined in the Cartagena commitment which represented an excellent basis for a global unified trading policy.

47. The international community must support the economic, political and social reforms undertaken in countries with transition economies and in the developing countries and assist the least developed countries. Determined measures must be taken to bring conflicts to a halt and to create a world of peace, stability, development and cooperation. Successful conclusion of the Uruguay Round by the end of the year would provide an impetus to all those recommended actions.

48. The Republic of Macedonia faced many difficulties characteristic of countries in transition, developing countries and land-locked countries. In addition, it had suffered enormous material losses as a result of United Nations sanctions against Serbia and Montenegro. Conditions for the development of its economy would include integration into the European sphere of influence, compensation for losses resulting from sanctions and an end to the conflict in the Balkans.

49. He also emphasized the importance of the report on progress in the implementation of specific action related to the particular needs and problems of land-locked developing countries (A/48/487). The meeting of governmental experts from developing land-locked and transit countries and representatives of donor countries and financial institutions recently held under UNCTAD auspices had adopted very useful recommendations intended to improve transit cooperation.

50. Mrs. BALTAS (Greece), speaking in exercise of the right of reply, drew attention to the incorrect denomination of the former Yugoslav Republic of Macedonia. General Assembly resolution 47/225 and Security Council resolution 817 (1993) were self-explanatory on the matter. The Office of Legal Affairs had no competence under the Charter to settle disputes between States, the competent organ being the Security Council.

51. Mr. CALOVSKI (the former Yugoslav Republic of Macedonia) said that his delegation regretted that Greece had incorrectly interpreted the Security Council resolution. His delegation was entitled to use the constitutional name of its country. The Office of Legal Affairs was entitled to make a determination in that matter, and his delegation would be bound by the ruling of the Legal Counsel.

The meeting rose at 5.05 p.m.